1 2	Evan J. Smith, Esquire (SBN 242352) Ryan P. Cardona, Esquire (SBN 302113) BRODSKY & SMITH, LLC	
3	9595 Wilshire Blvd., Ste. 900 Beverly Hills, CA 90212	
4	Telephone: (877) 534-2590 Facsimile: (310) 247-0160	
5	Attorneys for Plaintiff	
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10	SUPERIOR COURT OF THE STATE OF CALIFORNIA	
11	COUNTY OF ALAMEDA	
12	EMA BELL,	Case No.: RG17851900
13	Plaintiff,	CONSENT JUDGMENT
14	v.	Judge: Ioana Petrou
15	MUSIC BY MAIL, INC.,	Dept.: 15
	Defendant.	Hearing Date: June 6, 2017
16		Hearing Time: 9:00 AM
17		Reservation #: R-1843126
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1. INTRODUCTION

- 1.1 **The Parties.** This Consent Judgment is entered into by and between Ema Bell acting on behalf of the public interest (hereinafter "Bell") and Music By Mail, Inc. ("Music By Mail" or "Defendant") with Bell and Defendant collectively referred to as the "Parties" and each of them as a "Party." Bell is an individual residing in California who seeks to promote awareness of exposures to toxic chemicals and improve human health by reducing or eliminating hazardous substances contained in consumer products. Music By Mail is a person in the course of doing business for purposes of Proposition 65, Cal. Health & Safety Code §§ 25249.6 et seq.
- 1.2 **Allegations and Representations.** Bell alleges that Defendant has exposed individuals to Di(2-ethylhexyl) phthalate (DEHP) from *Audiology* headphones without providing clear and reasonable warnings under Proposition 65. DEHP is listed under Proposition 65 as a chemical known to the State of California to cause reproductive toxicity.
- 1.3 **Notices of Violation/Complaint.** On or about December 5, 2016, Bell served Music By Mail and various public enforcement agencies with a document entitled "60-Day Notice of Violation" pursuant to Health & Safety Code §25249.7(d) (the "Notice"), alleging that Defendant was in violation of Proposition 65 for failing to warn consumers and customers that *Audiology* headphones exposed users in California to DEHP. No public enforcer has brought and is diligently prosecuting the claims alleged in the Notice. On March 7, 2017, Bell filed a complaint in the matter (the "Complaint").
- 1.4 For purposes of this Consent Judgment only, the Parties stipulate that this Court has jurisdiction over Defendant as to the allegations contained in the Complaint filed in this matter, that venue is proper in the County of Alameda, and that this Court has jurisdiction to approve, enter, and oversee the enforcement of this Consent Judgment as a full and final binding resolution of all claims which were or could have been raised in the Complaint based on the facts alleged therein and/or in the Notice.
- 1.5 Defendant denies the material allegations contained in Bell's Notice and Complaint and maintains that it has not violated Proposition 65. Nothing in this Consent Judgment shall be

construed as an admission by Defendant of any fact, finding, issue of law, or violation of law; nor shall compliance with this Consent Judgment constitute or be construed as an admission by Defendant of any fact, finding, conclusion, issue of law, or violation of law, such being specifically denied by Defendant. However, this section shall not diminish or otherwise affect the obligations, responsibilities, and duties of Defendant under this Consent Judgment.

2. **DEFINITIONS**

- 2.1 **Covered Products.** The term "Covered Products" means Headphones, Earphones, and other audio listening devices, including but not limited to Stealth Bluetooth Headphones, SKU No. 6 33711 34272 2, that are manufactured, distributed and/or offered for sale in California by Music By Mail or Audio Technology of New York Inc. and that contains DEHP.
- 2.2 **Effective Date.** The term "Effective Date" means the date this Consent Judgment is entered as a Judgment of the Court.

3. <u>INJUNCTIVE RELIEF: WARNINGS</u>

- 3.1 Commencing ninety (90) days after the Effective Date, Music By Mail shall not manufacture, import, or purchase for sale in California any Covered Product that contains more than 1,000 parts per million DEHP, unless the Covered Product is accompanied by the following warning: "WARNING: This product contains a chemical known to the State of California to cause cancer, birth defects and other reproductive harm."
- 3.2 The warning provided pursuant to Section 3.1 shall be affixed to or printed on the Covered Product's packaging or labeling. The warning shall be prominently affixed to or printed on the packaging or labeling and displayed with such conspicuousness, as compared with other words, statements, or designs as to render it likely to be read and understood by an ordinary individual under customary conditions of purchase or use. A warning may be contained in the same section of the packaging, labeling, or instruction booklet that states other safety warnings, if any, concerning the use of the product and shall be at least the same size as those other safety warnings. Music by Mail and its downstream retailers shall have no obligation to label Covered Products that

- 4.2 **Attorney Fees.** Music By Mail shall pay \$25,000.00 to Brodsky & Smith, LLC ("Brodsky Smith") as complete reimbursement for Plaintiff Bell's attorneys' fees and costs incurred as a result of investigating, bringing this matter to Music By Mail's attention, litigating and negotiating and obtaining judicial approval of a settlement in the public interest, pursuant to Code of Civil Procedure section 1021.5. Payment shall be made within ten (10) business days of the Effective Date and sent to the address for Brodsky & Smith set forth in section 4.1.1, above.
- 4.3 Music By Mail shall pay the civil penalty and attorney fees in Sections 4.1 and 4.2 within ten (10) days of the Effective Date.

5. RELEASE OF ALL CLAIMS

- 5.1 This consent judgment is a full, final, and binding resolution between Bell acting in the public interest, and Music By Mail, and its parents, shareholders, divisions, subdivisions, subsidiaries, partners, sister companies, and affiliates, and their successors and assigns ("Defendant Releasees"), and all entities from whom they obtain and to whom they directly or indirectly distribute or sell Covered Products, including but not limited to Marshalls of MA, Inc. ("Marshalls"), manufacturers, suppliers, distributors, wholesalers, customers, licensors, licensees retailers, franchisees, and cooperative members ("Downstream Defendant Releasees"), of all claims for violations of Proposition 65 based on exposure to DEHP from Covered Products as set forth in the Notice, with respect to any Covered Products manufactured, distributed, or sold by Music By Mail prior to ninety (90) days after the Effective Date. Compliance with the terms of this Consent Judgment constitutes compliance with Proposition 65 with regard to the Covered Products.
- 5.2 In addition to the foregoing, Bell, on behalf of herself, her past and current agents, representatives, attorneys, and successors and/or assignees, and <u>not</u> in her representative capacity, hereby waives all rights to institute or participate in, directly or indirectly, any form of legal action and releases any Music By Mail, Defendant Releasees, and Downstream Defendant Releasees from any and all manner of actions, causes of action, claims, demands, rights, suits, obligations, debts, contracts, agreements, promises, liabilities, damages, charges, losses, costs, expenses, and

attorneys' fees, of any nature whatsoever, known or unknown, in law or equity, fixed or contingent, now or in the future, with respect to any alleged violations of Proposition 65 related to or arising from Covered Products manufactured distributed or sold by Music By Mail or Defendant Releasees. With respect to the foregoing waivers and releases in this paragraph, Bell hereby specifically waives any and all rights and benefits which she now has, or in the future may have, conferred by virtue of the provisions of Section 1542 of the California Civil Code, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.

5.3 Music By Mail waives any and all claims against Bell, her attorneys and other representatives, for any and all actions taken or statements made (or those that could have been taken or made) by Bell and her attorneys and other representatives, whether in the course of investigating claims or otherwise seeking enforcement of Proposition 65 against it in this matter, and/or with respect to Covered Products.

6. <u>INTEGRATION</u>

6.1 This Consent Judgment contains the sole and entire agreement of the Parties and any and all prior negotiations and understandings related hereto shall be deemed to have been merged within it. No representations or terms of agreement other than those contained herein exist or have been made by any Party with respect to the other Party or the subject matter hereof.

7. GOVERNING LAW

7.1 The terms of this Consent Judgment shall be governed by the laws of the State of California and apply within the State of California. In the event that Proposition 65 is repealed or is otherwise rendered inapplicable by reason of law generally, or as to Covered Products, then Defendant shall have no further obligations pursuant to this Consent Judgment with respect to, and to the extent that, Covered Products are so affected.

the Parties agree to meet and confer on how to proceed and if such agreement is not reached within 30 days, the case shall proceed on its normal course.

10.3 If the Court approves this Consent Judgment and is reversed or vacated by an appellate court, the Parties shall meet and confer as to whether to modify the terms of this Consent Judgment. If the Parties do not jointly agree on a course of action to take, the case shall proceed on its normal course on the trial court's calendar.

11. MODIFICATION

11.1 This Consent Judgment may be modified only by further stipulation of the Parties and the approval of the Court or upon the granting of a motion brought to the Court by either Party.

12. <u>ATTORNEY'S FEES</u>

- 12.1 A party who unsuccessfully brings or contests an action arising out of this Consent Judgment shall be required to pay the prevailing party's reasonable attorney's fees and costs unless the unsuccessful party has acted with substantial justification. For purposes of this Consent Judgment, the term substantial justification shall carry the same meaning as used in the Civil Discovery Act of 1986, Code of Civil Procedure Section 2016, et seq.
- 12.2 Nothing in this Section shall preclude a Party from seeking an award of sanctions pursuant to law.

13. <u>RETENTION OF JURISDICTION</u>

13.1 This Court shall retain jurisdiction of this matter to implement or modify the Consent Judgment.

14. <u>AUTHORIZATION</u>

14.1 The undersigned are authorized to execute this Consent Judgment on behalf of their respective Parties and have read, understood and agree to all of the terms and conditions of this document and certifies that he or she is fully authorized by the Party he or she represents to execute the Consent Judgment on behalf of the Party represented and legally bind that Party. Except as explicitly provided herein each Party is to bear its own fees and costs.

1	AGREED TO: AGREED TO:
2	AGREED TO: AGREED TO:
3	Date: 4/4/17 Date: 4/3/17
4	By: Anthony Ferreir By: Coll for
5	ANTHONY FERREIRO MUSIC BY MAIL, INC.
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7	IT IS SO ORDERED, ADJUDGED AND DECREED:
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9	Dated:
10	Judge of Superior Court
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